Recorded Interview with Rex Hockema

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Location: Toledo, Oregon

Interviewer: Christina Package

CP: Could you talk about your background and how you got into fishing?

RH: When I was in high school my dad owned a fuel distributor in Newport and I drove trucks and a lot of our business was fueling boats. As time went on, after I graduated from high school, I went to school to be an aircraft mechanic and when I got out of that there was no jobs and my wife's family were fishermen, so I went fishing with them off the coast here. I went on a couple of different boats. I near starved to death for three years [laugh]. And so I worked on Atlantico and I have known Wilburn since I was a little boy from Sunday school and stuff. So I went to Alaska in 1974 with them and that was how I got started up there. I worked for Bill the first three years (1974-1976) and then I came back to the coast and worked on shrimp boats down here.

We had our first child in 1976 and my wife didn't want me being in Alaska with kids and so then in 1980 I went back to Alaska on Atlantico again for a shrimp season. That was about the end of the shrimp seasons. It kind of caved in after that. So, what I really wanted to do was midwater trawling and fish for rockfish and hake, which were just getting going here. So I came home and did that from 1981-1984. In 1985, the Russians didn't come back for the hake deal, so they sent to Alaska to do yellowfin, so I went to the Bering Sea that year. Then the next year we did hake but also did some winter fisheries in Alaska every year after that. In 1988 we built another boat and I partnered with the guys I had been working for, which was Wiburn Hall's brother (Ray), and so I got into that boat. So I worked for them on the Leslie Lee in 1983 and then we built a new boat in 1988. We were partners in that boat until 2006, then we just sold everything. But, almost all my fishing with that boat was in Alaska. We started out in Kodiak and the last of the joint venture in the Bering Sea and then by 1985 I moved into factory trawler and we worked with the mother ships in the Bering Sea. A little bit of halibut long-lining a little sole, but mainly our main thing was trawl fisheries for all that period. We delivered to factory trawlers. I worked for Excellence. I worked for Ocean Phoenix. I worked for Golden Alaska. All three of those mother ships for next 15 years. Then we came down here and did hake and then we did Pollock in Alaska.

We worked for Western Alaska on Kodiak on a shore plant and they were RooHa (?) and RooHa was connected with Excellence. So somehow I ended up on the market with Excellence in 1995 through that connection and I worked for them until the American Fisheries Act went in, in 2000.

Then I went to Ocean Phoenix for five years and so I was one of the few who worked for all three of the mother ships. It was all good. We had a good time.

CP: So you stopped fishing in 2006?

RH: We stopped in 2006. We sold the trawler and I haven't fished since. I have no desire to go back into the ocean again. I did it for 35 years and it is now somebody else's turn.

CP: I don't know much about the joint venture with the Russians down here and then up in Alaska. Could you talk about that?

RH: Well, when I started fishing off the coast on shrimp boats and stuff here in the summer time there was Poles, Russians, East Germans, and lots of different foreign vessels out here and I mean we are scratching along catching a couple tons a day of shrimp and we go buy these guys hauling these huge bags of fish out. Well they started comes, I think, sometime in the 1960s and they could come in and the 200 mile law wasn't in, so they could fish just 12 miles out and they did it for years and years. Then in 1978 they were trying to start these joint venture things. Barry Fisher and some others started this joint venture with the Russians. There were two boats the first year that did it just for a couple of months. Then the next year it grew and there was about 8 or 10 boats. It was all Soviets to begin with. Then about 1980 then there started to be Polish joint ventures and a few Korean and Chinese venture. Some of them were able to fish at the same time that they were buying fish. But the Russians, at that time, didn't fish anymore. They just bought fish. As time went on they limited who could fish and then it all went away after a while. That was the same in Alaska. I started out with the Japanese. We did sole and cod fish with the Russians when we first went up. They didn't buy any Pollock. But the Koreans and the Japanese and some of the others, their big deal was Pollock. Later the Russians kind of fell out of it as the American sole fleet built up. They just took it all away from the Russians. I think that was the main reason they went away, because of the sole fish. The Pollock went quite a while after the sole. The Japanese were the last ones doing joint ventures. Then the shore plants took it all, which was a good thing, but it's still owned by the Japanese anyway.

CP: It seems like the Japanese have quite a hold on the processing.

RH: Yeah. Well the federal government has given us up to the Japanese through their rationalization plans that have been detrimental to individual fisheries. A guy in my position could never get back into it now because of how much it costs to buy a permit. It used to be that if you could get a boat and a crew together you could go fishing. That's a thing of the past now. Then you are locked into a processor through the co-op situation, and there is just nothing good about that.

CP: That is just with crab right?

RH: Oh no. No. The Pollock. The Pollock has no processor shares but you are locked in. There are seven processors. If you want to move from one processor to another you have to go through which is known as 'open access' and that exposes you to anybody else that is open access. I have a friend this year, he is the first one from Trident Seafoods, to try to move to another co-op. In the past they did inter co-op agreements were the guy would deliver so much of his fish to wherever he wants to move and the next year they let him go. Well, Trident isn't doing that anymore. They forced him to have 'open access', then they took one of his big boats that packs a million pounds and put him in open access this year, and went out and took all the fish away from the smaller boat. My dad and Ray Hall's boat is the boat that got nailed. It cost them $600,000 and they just took it away from them for punishment for moving out of there co-op. That's why these co-op deals are a bad thing. The processor shares are even worse. The crab guys and the trawl guys on the coast are just now getting ready to go into rationalizations this year and the processors own part of their history. So if you ever want to go anywhere you are going to lose a huge piece. With the rationalization, you know, they gave us three years on Pollock, well maybe there was five, but you threw in your best three years, so everybody throws in their best three years, but it doesn't add up to a hundred percent of the pie anymore. It's about a 130 or 140 percent. So when you get your piece you're knocked back. I think we lost 27 percent of what our average was and then CDQ came a long and they took another 10 percent for them and so now if you need to give up 20 percent to your processor and want to shift, you can't do it. It's not possible. So they pretty much have you over the barrel. You know. Pacific Seafoods and Trident are huge companies. You can't fight those people at all.

At one point, when Trident started out, there was just one processing boat, which was Chuck's. I still think Chuck is a good guy, but the people he surrounded himself with were a terribly greedy group. We call them the Chuck Devidians (?).

The guy who owns Pacific Seafoods is related to the guy who owns Trident, so you got two billion dollar companies who are inter-tied pretty tightly now. They are the two biggest processors in the West. I don't know about in the country, but they are huge. There is something wrong with that picture. Trident owns a lot of their own catcher boats and processors and they own over 80 percent of the fish in their co-op. So you have less than 20 percent that are independent and you're at their whim. The people who sit on the board of directors all draw a paycheck from Trident Seafoods except for one guy. So we have no say in what goes on. When they enacted all these co-op things we went to the Justice Department to try to get this as a bad thing, you know, a conflict of interest. This was a vertically integrated thing. Well, the Justice Department threw it all out and said we were just fine. So Trident owns the co-op and it's not a good thing. When you have all the power in one pocket, it's not good.

This is all gifts that the council has given us through their infinite wisdom. That is a whole other deal. If you go to the council and have something to say, they give you two minutes. When Trident shows up they have 15 lawyers and three company people and they just start reading the

sheet and passing it down the table. They get their whole point across, plus everybody goes to dinner with the Trident people, you know. And its not just Trident people, you know, it's American Seafoods, and all those big companies that have power. It didn't used to be that way. When they enacted these Councils it was never meant to go that direction and now it's a snowball thing. All of our federal government keeps getting bigger and bigger.

CP: Why did it end up going that way?

RH: I think these rationalization deals make it very easy for National Marine Fisheries to keep track of what's going on. Everybody goes: "Its being over fished" or "These fisherman are taking too much." The fact is we don't take a pound more than National Marine Fisheries tells us we can take. Well the allocation deal, where they divided up the pies and gave everybody a number, that makes it really easy for them to control everyone of those numbers. If you go over on your number you are in trouble immediately. When you divide it down to where it is only seven different processors, now you only gotta call seven phone numbers. You don't have a hundred and fifty catcher boats out there that they can keep track of. I think it could have been done just as easily if every one of those catcher boats still had to go to their processor and every processor would know what the boat brought in. I think it would have been a simpler process. I think it would have been a more reasonable way to do it. I don't think it would have put so many people out of business. They just stopped everyone from even having a future. In the past there were a lot of simple people that could get into fisheries and economics took care of itself. The buybacks are another deal. We didn't have them in Alaska, but we did have them down here. On the crab buybacks they allocated $100 million, buy so many boats, and present the bill to the guys who are still in the fishery, so now they have 30 years to pay this $100 million back. Well, a lot of those boats would have failed in the next year or two anyway. If they just leave economics alone, it will take care of itself. When you start playing favorites, well it just doesn't work that way. It's exactly the same deal on the coast, on the ground fish down here. You bail out the guys that are going to fade away and somebody else gets left with the debt. A lot of those guys thought, as soon as we buy these guys out that our allocations are going to go up, well there is just nothing in there that says anything about getting more fish because you are going to have less boats. All there is is a 6 percent assessment that you are going to make less money because you are going to pay these guys' retirement. That's pretty much what turned out. There was no more fish allocated. There is a flat rate that you have to pay back on every delivery and when your margin is awful thin to begin with, well it makes it even tougher yet. Then fuel prices go up, insurance prices, go up. Everything except the fish prices goes up. You know.

Most of the stuff I caught in my life was cheap fish at a huge volume. That was the only way I made money. We only did halibut a couple of days a year. Only 6 percent of our yearly gross was valuable. Most of the stuff we caught was like five cents a pound. We caught a lot of it though. [laugh]

CP: So is it most difficult for people to get into the fishery now because permits are too high?

RH: Yeah. We had $2 million put into the boat. When we sold in 2006, that boat probably cost $4 million. It cost that much more to build the same boat. But, the permit sold for $10 million. So, you try to figure out how you are going to pay for $14 million worth of expense. On our best years, we were making $3 million. Now the quota in Alaska is about half of what it was and the price of the fish hasn't increased that much. So, you try to figure out how to service $12 or $14 million debt on a couple million dollars a year. It's impossible. The fuel prices have doubled and your quota has gone in half. You can't get there from here. When I sold, the guy who bought the boat had already owned a couple boats, shares, and factories, so everything he's got is paid for. He bought it just to avoid paying taxes on things. That was his deal, but for somebody who is trying to get started, you can't get there.

Ten years ago, every time you would come to the dock there would be somebody looking for a job. Now, you can't find somebody who wants to go. Even though you make a lot of money on the deck, there is no future there for a guy that is looking to stay for the long haul. You just can't move up. There is just zero security now. Crew shares are much less than they used to be. Trident own 14 catcher boats and every one of them has a big crew on it, but their shares are way down. Even from 5 years ago.

CP: Where does Trident get their crew from? Is it from the community?

RH: Not necessarily. In their factories in Alaska, they import them from South East Asia, but the guys on the boats have to be American citizens. Factory trawlers can have foreign nationals there, but I think on the catcher boats they need to at least have a green card to be on there. So instead of having people working for a $100,000 a year, you have people that will work for $40,000. That just makes a better margin for the company. It also gives you a less qualified person to work your boat.

CP: Did you spend much time in the communities in Alaska where you worked?

RH: In Kodiak, in 1974, we delivered there for three years. When I went back up with a trawler in 1989, we went to the Bering Sea and then Kodiak. We were there for most of five years. We did that until about 2000 and then we stopped going up. So I spent time in Kodiak, but not much time in Akutan. There's not much there. I wouldn't call that a community. There are about 300 natives who live there. They live well and do nothing. Trident has 800 employees who work in that canning plant there, so they lease property from the native corporation. Nobody works in that community. There is a store keeper, school teachers, and a librarian, but the rest of them pretty much take it easy. We packed salmon out of Chignik a few summers. Those people are ambitious natives who live there. It's a mix. You know. There is some white people and some Aleuts and those people are all ambitious living around there and it shows. They all have nice boats, nice homes, and some of them live their year round and some just come out in the winter

time. The co-op there was forced on them. There salmon co-op was forced on them. I am sure there were a lot of people upset about that deal. There is about a hundred permits in the co-op in the Chignik area, and I would say about 40 of those guys were really ambitious fisherman. The rest were not really going after it. They were just taking it easy in the lagoon. When they made the co-op, it just equalized everybody.

CP: So were you on mid-water vessels when you were in Alaska?

RH: When we went up on the Atlantico, we did shrimp and crab. We did king crab then, which was about a month or six week season. Then we would do shrimp after that. We would start with shrimp in June and shrimp until August or Sept or whenever the king crab season would start. Then we would go back on the shrimp until it closed. You gotta remember that in these days we were getting 7 or 8 cents a shrimp. The best I ever saw for king crab was 60 cents. We sold a lot for 40. We kept busy year round those days. We usually would only come home for Christmas for a few weeks and then we were back up there. If you wanted to do it, there was always something to do. In those days shrimp was a big deal. In Kodiak there was about a 100 million pounds of quotas between Kodiak and the peninsula. In the summertime we would run to the Chignik area so we wouldn't have to fight ice in the winter time. There was a lot of shrimp. Everytime you went out, you just knew you were going to fill the boat up. That was the same way for king crab. We did really well. Then that just all changed. The ground fish came and cod fish and halibut and stuff showed up in force. I think that is what killed the crab. I don't know what happened to the shrimp. They claimed that some kind of parasite was the culprit. We had an El Nino in about 1977 and then the shrimp just took a nose dive after that. Shrimp was big at Kodiak and Sand Point.

CP: So what was it like up in Alaska during the 1980s?

RH: We just ended up living up there. My wife got pregnant with our first kid and she said she didn't want to stay up there. Kodiak was a pretty wild and wooly place. We left from Newport on the 7th of August and King crab was starting on the 15th. We hit Kodiak on the day of the 15th and every boat in Kodiak is just gone [laugh]. We are the only ones sitting there. I apparently didn't register the boat right. So I'm sitting there with $9 in my pocket and about a thousand miles from home. There were guys going on strike for the price. Finally we got the registration thing figured out. Turns out we were out with our gear dropped when the price agreement was settled, so it worked out perfect. It comes down to a lot of luck.

I remember the first day I was in Kodiak we were walking past a bar and there was a dead guy being taken out of a bar. It has calmed way down since then. Dutch Harbor was a whole other story. That was a dangerous place. You didn't get off your boat in Dutch Harbor. The guys made a lot of money crab fishing and the bars made a lot of money off the guys who were stupid.

CP: Why do you think it was so wild and crazy then?

RH: When we first got there boats were being built as fast as they could be built. I was 24 years old. I got offers to run boats left and right, but I didn't feel qualified. You know, also, a lot of guys died. The guys that were running the boats were incompetent in what they were doing. They killed a lot of people. Just absolute incompetence. They should have never been put in the situation they were in. When people are making money they are will to take a risk.

There were a limited few in the early 1960s from here who were going up there. Still today about 25 boats go up there from here each year. A lot of the guys who do hake here are still fishing Pollock or cod or whatever in Alaska. Some might go to the Bering Sea and some to Kodiak. I don't think there are people going up there like they used to. You have so many permits, so it really limits who goes up. When the permits are sold now, it's the big companies that are buying the permits. Its not individuals anymore, so getting into the fishery is difficult. Trident owns well over 30 percent.

In the 1970s and 1980s we were having so much fun I would have done it for free. By the time the councils got so involved in the 1990s and 2000s, I just wanted out. I could see we were in a corner and there was no way to dig our way out of this corner. There was no future for us anymore. They were going to starve us to death or we were going to have to find a way out. We got out.

When we first started out you could buy a permit for one thing and if it was slow, you could go for something else. As everything slowed down, we just kept moving further west. By the time I finished in 2006, we were fishing 600 miles northwest of Dutch Harbor. Right on the Russian line. You could see them on the other side. We were fishing juvenile stock at that point, instead of a 14 or 16 inch fish. Now we were fishing an 8 inch fish. It was all supposedly to save salmon, but if you look at all their charter data and you see where their volume of fish was it's closed off. They push you to fish were there is less volume. It just seems like foolish logic to me.

CP: So you kept going west because changes in policy?

RH: We just kept going west. When we first started up at Kodiak, there wasn't a very big Pollock fleet. Less than a dozen of us. Soon more boats were getting into it, especially when things started to change.

It's funny. In 2006 we were going place that we would never have thought of going in the 1980s. We had much better boats at the end, but still it's still extremely dangerous to be doing what we were doing in the winter. If you get screwed because of weather, the Coast Guard ain't coming. You were really in deep trouble. Most of the problems in the winter time were because of ice. I can handle 100 mile and hour weather in the summertime. When you have ice involved, it really

messes with you. You got people out there with baseball bats knocking off ice. It builds up really fast. The more wind there is the quicker it builds. Your people just get tired after a while. If you get top heavy, you just roll over. You know. So, it's a pretty simple concept.

Because the quotas are smaller, the seasons are shorter, and there are more boats on it, it's really tough. For hake, a lot of guys are getting involved and they think they are going to make out, but when things get rationalized out they are gonna get less than they think. They are still locked into the processor and they own part of your history. Your ability to negotiate price becomes extremely limited to. It used to be the case that if you didn't like the price, you went across the street where the price was better. That's taken out of the equation now. You don't have any power. You are extremely limited. For years and years, the processors down here didn't own any boats. Well now, they have boats and so even if you are fishing for them and they get mad at you, they can take your 20 percent away and put it on their own boat. You know [laugh]. There are all sorts of retaliation things that go on. I just don't understand why the government thinks this is a good thing for fisherman. To take away negotiating power and give it away to the processor is just wrong.

CP: How did these processors get so big?

RH: Well, Trident started out in 1972. The Billiken, a 125 ft boat, was the first American catcher and processor boat for crab. It was just a gold mine. Everybody thought, well that's just stupid. Well, it wasn't stupid. It worked well. He made a lot of money and invested in more things. He just kept growing and looking at the big picture, but I think he has a bunch of idiots working for him. The greed factor is just unbelievable. There is no friendship between that company and anybody who works for them. It's all the power. It seems to work. If you can convince the government to run things down your road and you just stand there and pick up the pieces as things go buy, you've got a good thing going.

CP: Could you talk more about Kodiak and what it was like?

RH: None of the roads were paved and you had people coming in on the ferry to work in the cannery. Crab boats and shrimp boats from all over the place. It was a place with nobody from there. There was probably, in those days, 2,500 people who lived in Kodiak. It was just a whole different life. Lots of drugs and alcohol. Every bad opportunity was there for those who were foolish enough to go for it. I know a lot of guys who made a lot of money in the cocaine trade that relied on a lot of those boats to make shipments. It was trashy money as far as I was concerned. There were guys involved in that though.

We had good boats, good markets, and it was a good time. When we built the trawler we really had no intention to go to Alaska because we were doing good with the hake and rockfish here, but we thought we probably had another five years before the joint ventures would go away, well they went away way faster than we thought. We had gone to Alaska in 1989 to do cod and

yellowfin sole and we were going to come back and do hake. Well I left after the yellowfin sole season and got a call to go back up because with the Exxon Valdez Oil spill, they were hiring anything that floats. So I sat here for a month and I knew everybody in Kodiak was working on the oil spill and nobody was fishing. So finally I got a salmon marked out in Chignik. So I went to Chignik and five days later the oil showed up there and so we turned around and went back to Kodiak and fished cod. There was only five of us fishing cod in the whole area and oil never got on that side of the island. So that actually worked out pretty good for us. The next couple of years after that we did pack salmon out of Chignik in the summer time for 3 months each summer. Most of our stuff in those days was cod and Pollock and we worked straight through, from January until late into the fall. The salmon deal and the crab deal collapsed in Kodiak around the early 1990s and guys started fishing rockfish and cod and that was what killed our program. It was when you have a hundred and fifty other guys out there pot fishing instead of trawlers, no all of a sudden instead of fishing cod fishing all year, you just have a few months and its over in just a few weeks.

CP: Did a lot of boats from here go to Alaska to help with the Exxon Valdez spill?

RH: There were a lot of guys from here who were already up there. Some of them owned property in Kodiak and stuff like that and Exxon came in and leased their boats for the summer and leased every warehouse that they had. I think Terry was doing $40,000 or $50,000 a day for lease payments from Exxon. If I had turned around and gone to Kodiak, we would have paid for the boat the first summer with an Exxon contract. I don't think the accomplished anything but they put out a hell of an effort for a while, you know. I had a friend with a 90 ft boat and his things was cleaning boats that were coming back in. They would steam clean the deck. They put him on the south end of Kodiak where they had a dump site there. He made about $7,000 or $8,000 a day sitting there. A lot of that was going on. They threw a lot of money at it, but I don't think they accomplished much. This thing in the Gulf is just unbelievable. I mean they are dealing with just the tip of the iceberg down there. They get a few hurricanes and it going to get ugly. It's a big mess.

CP: Do you think the fisherman down there will have the same opportunities to help out?

RH: You can't imagine how many shrimp boats there are down there. I just don't see how they can take care of all those people. There is no way that all those boats can be out there pulling boom around. It's gonna be a huge amount of folks who are going to lose their livelihoods and way of life. When that thing happened in Prince William Sound, the herring season was gone. The oil wiped that fishery out. It was a big deal. Herring is gone. A lot of guys in Prince William Sound were just totally wiped out. Done forever. It ruined a lot of people.

CP: Did it impact your fishing in Chignik?

RH: The first year it shut us off. The salmon fishery was shut off. That was the only time it affected us. I mean, 500 miles from where it was released, there was an impact. This thing in the Gulf is even bigger. Something went way, way wrong there. Look at BP and Exxon profits. It would be a drop in the bucket for these companies to be more prepared for problems like this. I just get frustrated just thinking about it.

The guy at the top doesn't have a clue about what's going on, on the bottom.